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Chapter 27

1. Some employers will offer a lower salary if they give good health care to save money. Many people will still take the better benefits over lower salary.
2. Because more money is being fed into the insurance company and there is a better chance that it will get paid because the company is not relying on one person so the risk is lower for them lowering the premium that is split amongst many.
3. HIPPA states that you can not be turned away because of health status but it does not limit how much you are charged for the insurance.
4. Supplemental health insurance is insurance for people who may have fees that exceed normal healthcare insurance. Elderly people or people who have serious illness should purchase it.
5. Basic healthcare covers regular doctors visit, medical, hospital, and surgical costs.
6. Major protects you against major medical costs such as organ transplants.
7. Unmanaged allows employees to choose and doctor and be reimbursed for 80 percent of charges. Managed is when employees must choose from a network of doctors and can be full reimbursed.
8. A PPO is a group of healthcare providers who band together to provide heath services for a fee.
9. HMO is a group of health care providers offering pre paid medical care to members.
10. An HAS can help you put aside money in case of an emergency that insurance does not pay for so you have money for it.
11. Medicare is for elderly people who need help paying for prescriptions and other expenses. Medicaid is for those who are low income and can not pay for medical insurance. Both are government funded.
12. Disability insurance is a plan that makes regular payments to replace income when ones income is lost due to injury or illness.
13. Life insurance helps to pay off many things after a person is deceased. It can be used to pay off remaining debts or to pay for events such as a funereal. It can help a family if it loses the main working member very early. Allows for some income to help the family and gives them a lump sum of money.
14. Term life insurance if for a specified period of time whereas permanent is for the insured’s lifetime.
15. Decreasing term insurance is when the amount of coverage decreases each year with coverage remaining the same. Renewable gives the policy holder the right to renew each year, without having to pass a physical.
16. Credit life insurance will repay a debt should the borrower die before doing so.
17. Straight life, limited pay life, universal life, and variable life. Straight is when you pay premiums throughout your life, policy pays a stated sum at the death to beneficiary. Limited pay is when you pay for a set amount of years then that money is stored and you are covered for life. Universal life combines savings plan with death benefit. The premium and death benefit are not fixed however. Variable combines death benefit with investors option. Both death benefit and cash value rise and fall with the stocks they are invested in.